

Executive Summary Report

Appraisal Date 1/1/03- 2003Assessment Roll

Specialty Name: Mini-Storage

Sales – Improved Analysis Summary:

Number of Sales 8

Range of Sales Dates: 9/2000 – 10/2002

Sales – Ratio Study Summary:

	Avg. Improved Value	Sale Price	Ratio	COV
2002 Value	\$ 3,070,700	\$ 3,722,300	82.5%	22.74%
2003 Value	\$ 3,544,900	\$ 3,722,300	95.2%	11.78%
Change	+ \$ 474,200		+ 12.7%	- 10.96%
% Change	+ 15.44%		+ 15.39	- 48.20%

*COV is a measure of uniformity, the lower the number the better the uniformity. The negative figures of -10.96 and - 48.20% actually represent an improvement.

Sales used in Analysis: All sales verified as good were included in the analysis. The sales considered indicate an upward trend in market value, but the limited number of recent sales reduces reliability.

Total Population - Parcel Summary Data:

	Land	Imps	Total
2002 Value	\$ 158,754,100	\$ 310,582,400	\$ 469,336,500
2003 Value	\$ 166,917,300	\$ 358,032,200	\$ 524,835,300
Percent Change	+ 5.14%	+ 15.28%	+ 11.82%

Number of Parcels in the Population: 152

Conclusion and Recommendation:

Since the values recommended in this report improve uniformity, assessment level and equity, we recommend posting them for the 2003 Assessment Roll.

Analysis Process

Specialty and Responsible Appraiser

Specialty Area – 608 Mini-Storage Facilities

The following Appraiser did the valuation for this specialty.

Name: Dan Atkinson – Job Title: Commercial Senior Appraiser

Highest and Best Use Analysis

As if vacant: Market analyses of the area, together with current zoning and current and anticipated use patterns, indicate the highest and best use of the land.

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and therefore are the highest and best use of the property as improved. In those properties where the property is not at its highest and best use a token value of \$1,000.00 is assigned to the improvements.

Special Assumptions, Departures and Limiting Conditions

The sales comparison, income and cost approaches to value were considered for this mass appraisal valuation.

The following Departmental guidelines were considered and adhered to:

- Sales from 1/01 to 1/03 (at minimum) were considered in all analyses.
- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of two years of market information without time adjustments averaged any net changes over that time period.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation: Specialty Area 608: Mini-Storage

Boundaries: All Mini-Storage Facilities in King County

Maps:

A general map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Description:

Area 608, mini-storage facilities are located throughout King County. The larger and newer facilities are located in the urban areas of the county. Firms such as Mr. Van Guard, Store More, Public Storage, and Shurguard have multiple locations. There are also a number of independent operators in the business. Most mini-storage facilities have good exposure and high visibility. They are also located nearer large complexes of multi-family housing. The newer units are one story or one and two story buildings that you can drive up to for easy access. Within the city limits of Seattle, older warehouses have been converted to mini-storage facilities. They have large freight elevators to expedite the process of storage on the upper levels. Area 608 was divided into 2 sub areas, 608-10 and 608-20. Area 608-10 is all mini-storage facilities in Seattle, North Seattle, and the Eastside. Area 608-20 is all mini-storage facilities in the South-end of King County.

Physical Inspection Identification:

Mini-storage valuations were performed in all areas of King County. Approximately 22% of the population was inspected between January and May of 2003.

Preliminary Ratio Analysis

The pre-value analysis indicates that the overall values for these facilities have increased since the last revalue. A Preliminary Ratio Study was completed prior to the application of the 2003 recommended values. This study benchmarks the current assessment level using 2002 posted values. The study was also repeated after application of the 2003 recommended values. The results are included in the validation section of this report, showing an improvement in the COV from 22.74% to 11.78%.

Scope of Data

Land Value Data:

The geographic appraiser in the area in which the specialty mini-storage property is located is responsible for the land value used by the mini-storage specialty appraiser. See appropriate area reports for the land valuation.

Improved Parcel Total Value Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales were verified by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections were limited. Sales are listed in the "Sales Used" and the "Sales Not Used" sections of this report. Additional information resides in the Assessor's procedure manual located in the Public information area of the King County Administration Building.

Sales comparison approach model description

Only those sales coded as verified "good" were considered in the process of this revalue. There were a total of 8 improved sales countywide considered as "good" sales. These sales were considered on the basis of a price per square foot of net rentable area. Although, there were too few sales to develop a model for sales comparison, these sales were used a general guideline check on the values indicated by the income approach.

Cost approach model description

Cost estimates are automatically calculated via the Marshall & Swift cost modeling system. Depreciation was also based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the western region and the Seattle area. Marshall & Swift cost calculations are automatically calibrated to the data in place in the Real Property Application. Cost estimates served as value indicators for new construction projects.

Cost calibration

The Marshall & Swift cost modeling system built in to the Real Property Application is calibrated to the region and the Seattle area.

Income capitalization approach model description

The Income Approach to value was considered the most reliable to valuation for the mini-storage properties this revalue. The mini-storage facilities in King County were divided into two separate neighborhoods and assigned to one of two income tables derived by the mini-storage specialist. Income tables were developed for each economic neighborhood in Specialty Area 608 for use in the department's commercial income capitalization program. They are broken down by neighborhood and the Marshall & Swift occupancy codes. The rates for rents, vacancy, expenses and capitalization parameters were derived from the market place through the sales listed, as well as through market surveys and available publications.

Income approach calibration

The models were calibrated after setting base rents by using adjustments based on size, effective age, construction class and quality as recorded in the Assessor's records. See income Tables 608-10 and 608-20 included in this report. Area 608-10 is all mini-storage facilities in Seattle, North Seattle, and the Eastside. Area 608-20 is all mini-storage facilities in the South-end of King County.

The lease up period for newly constructed facilities was considered by adjusting the vacancy rate and the cap rates upward, and then reconciling with the cost approach.

Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.

All parcels were individually reviewed by the specialty appraiser for correctness of the model application before final value selection. All factors used to establish value by the model were subject to adjustment.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate and may adjust particular characteristics and conditions as they occur in the valuation area.

The standard statistical measures of valuation performance are presented both in the Executive Summary and in the 2002 and 2003 Ratio Analysis charts included in this report. The 2003 Ratio Study Analysis indicates that the statistical measure of assessment level went from 82.5% to 95.2%, the Coefficient of Dispersion (COD) went from 16.45% to 8.36%, and the Coefficient of Variation (COV) went from 22.74% to 11.78%. The Price-related Differential (PRD) went from .98 to .99. These statistical measures are within the IAAO guidelines and demonstrate an improvement in uniformity and equity.

The Specialty Appraiser recommends application of the Appraiser selected values, as indicated by the appropriate model or method.

The total assessed value for 2002 assessment year for specialty area 608 was \$469,336,500 and the total recommended assessed value for the 2003 assessment year was \$524,835,300. Application of these recommended values for the 2003 assessment year (taxes payable in 2004) results in an average total from the 2002 assessments of + 11.82%. This increase is due to upward market changes over time and the previous assessment levels.

USPAP Compliance

Client and Intended Use of the Appraisal:

*This summary mass appraisal report is intended for use only by the King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a **summary mass appraisal report** as stated in USPAP SR 6-7. To fully understand this report the reader may need to refer to the Assessor's Property Record Cards, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.*

The purpose of this report is to explain and document the methods, data and analysis used in revaluation of King County. King County is on a six year physical inspection cycle with annual statistical updates. The revaluation plan is approved by Washington State Department of Revenue. The revaluation is subject to their periodic review.

Definition and date of value estimate:

Market Value

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65) . . . or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65,66, No. 65, 12/31/65)

Highest and Best Use

WAC 458-12-330 **REAL PROPERTY VALUATION—HIGHEST AND BEST USE.**

All property, unless otherwise provided by statute, shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Uses which are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in estimating the highest and best use.

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922)) The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922)) The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

Where land has been classified or zoned as to its use, the county assessor may consider this fact, but he shall not be bound to such zoning in exercising his judgment as to the highest and best use of the property. (AGO 63-64, No. 107, 6/6/64)

Date of Value Estimate

All property now existing, or that is hereafter created or brought into this state, shall be subject to assessment and taxation for state, county, and other taxing district purposes, upon equalized valuations thereof, fixed with reference thereto on the first day of January at twelve o'clock meridian in each year, excepting such as is exempted from taxation by law. [1961 c 15 §84.36.005]

The county assessor is authorized to place any property that is increased in value due to construction or alteration for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits on the assessment rolls for the purposes of tax levy up to August 31st of each year. The assessed valuation of the property shall be considered as of July 31st of that year. [1989 c 246 § 4]

Reference should be made to the property card or computer file as to when each property was valued. Sales consummating before and after the appraisal date may be used and are analyzed as to their indication of value at the date a valuation. If market conditions have changed then the appraisal will state a logical cutoff date after which no market date is used as an indicator of value.

Property rights appraised:

Fee Simple

The definition of fee simple estate as taken from The Third Edition of The Dictionary of Real Estate Appraisal, published by the Appraisal Institute. "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Special assumptions and limiting conditions:

That no opinion as to title is rendered. Data on ownership and the legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions unless shown on the maps or property record cards. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

That no engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.

That rental areas herein discussed have been calculated in accord with standards developed by the American Standards Association as included in Real Estate Appraisal Terminology.

That the projections included in this report are utilized to assist in the valuation process and are based on current market conditions, anticipated short term supply and demand factors, and a continued stable economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.

That no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.

That the appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in our analysis to any potential diminution in value should such hazardous materials be found. We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.

That no opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.

That maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.

Exterior inspections were made of all properties however; due to lack of access few received interior inspections.

The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.

We appraise fee simple interest in every property. Unless shown on the Assessor's parcel maps, we do not consider easements as adversely affecting property value.

We have attempted to segregate personal property from the real estate in our appraisals.

We have not appraised movable equipment or fixtures as part of the real estate. We have appraised identifiable permanently fixed equipment with the real estate in accordance with RCW 84.04.090 and WAC 458-12-010.

We have considered the effect of value of those anticipated public and private improvements of which we have common knowledge. We can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.

The appraisers have no personal interest or bias toward any properties that they appraise.

Departure Provisions:

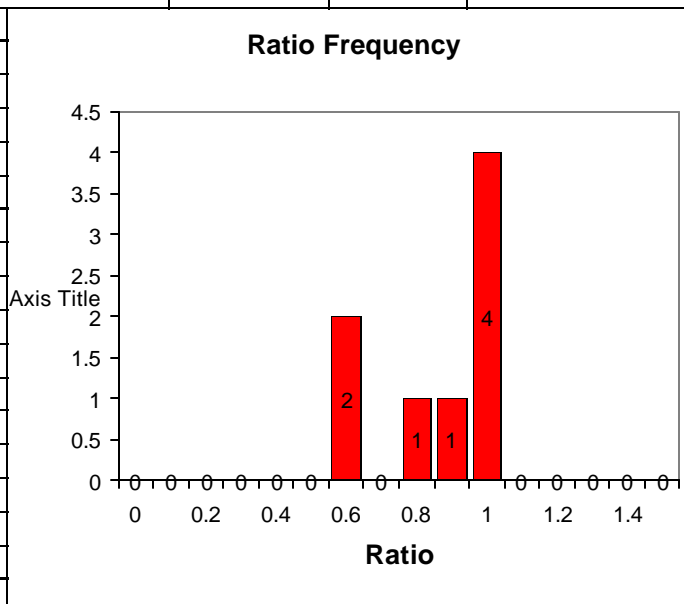
Which if any USPAP Standards Rules were departed from or exempted by the Jurisdictional Exception

SR 6-2 (g)

The assessor has no access to title reports and other documents. Because of budget limitations we did not research such items as easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations and special assessments. The mass appraisal must be completed in the time limits as indicated in the Revaluation Plan and as budgeted.

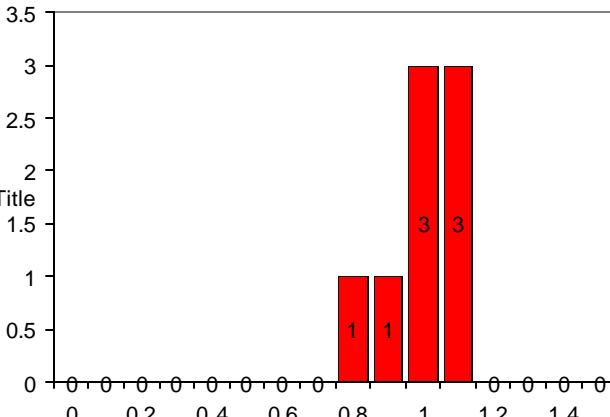
Area 608 - Mini-Storage
2002 Assessment Year

Quadrant/Crew:	Lien Date:	Date:		Sales Dates:
Central Crew	1/1/2002	6/30/2003		9/25/2000 - 10/22/2002
Area	Appr ID:	Prop Type:		Trend used?: Y / N
608	DATK	Improvement	N	
SAMPLE STATISTICS				
Sample size (n)	8			
Mean Assessed Value	3,070,700			
Mean Sales Price	3,722,300			
Standard Deviation AV	1,728,734			
Standard Deviation SP	1,860,776			
ASSESSMENT LEVEL				
Arithmetic mean ratio	0.809			
Median Ratio	0.885			
Weighted Mean Ratio	0.825			
UNIFORMITY				
Lowest ratio	0.5028			
Highest ratio:	0.9855			
Coefficient of Dispersion	16.45%			
Standard Deviation	0.1840			
Coefficient of Variation	22.74%			
Price-related Differential	0.98			
RELIABILITY				
95% Confidence: Median				
Lower limit	0.503			
Upper limit	0.986			
95% Confidence: Mean				
Lower limit	0.682			
Upper limit	0.937			
SAMPLE SIZE EVALUATION				
<i>N (population size)</i>	152			
<i>B (acceptable error - in decimal)</i>	0.05			
<i>S (estimated from this sample)</i>	0.1840			
Recommended minimum:	40			
Actual sample size:	8			
Conclusion:	Uh-oh			
NORMALITY				
Binomial Test				
# ratios below mean:	3			
# ratios above mean:	5			
z:	0.353553391			
Conclusion:	Normal*			
*i.e., no evidence of non-normality				



These figures reflect the 2002 assessed values as compared with the current market.

Area 608 - MINI STORAGE
2003 Assessment Year

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:	
Central Crew	1/1/2003	6/30/2003	9/25/2000 - 10/22/2002	
Area	Appr ID:	Prop Type:	Trend used?: Y / N	
608	DATK	Improvement	N	
SAMPLE STATISTICS				
Sample size (n)	8	<div>Ratio Frequency</div> 		
Mean Assessed Value	3,544,900			
Mean Sales Price	3,722,300			
Standard Deviation AV	1,879,180			
Standard Deviation SP	1,860,776			
ASSESSMENT LEVEL				
Arithmetic mean ratio	0.944	<div>Axis Title</div>		
Median Ratio	0.951			
Weighted Mean Ratio	0.952			
UNIFORMITY				
Lowest ratio	0.7528	<div>These figures reflect the recommended 2003 assessed values as compared with the current market.</div>		
Highest ratio:	1.0529			
Coefficient of Dispersion	8.36%			
Standard Deviation	0.1112			
Coefficient of Variation	11.78%			
Price-related Differential	0.99			
RELIABILITY				
95% Confidence: Median				
Lower limit	0.753			
Upper limit	1.053			
95% Confidence: Mean				
Lower limit	0.866			
Upper limit	1.021			
SAMPLE SIZE EVALUATION				
N (population size)	152			
B (acceptable error - in decimal)	0.05			
S (estimated from this sample)	0.1112			
Recommended minimum:	18			
Actual sample size:	8			
Conclusion:	Uh-oh			
NORMALITY				
Binomial Test				
# ratios below mean:	2			
# ratios above mean:	6			
z:	1.060660172			
Conclusion:	Normal*			
*i.e., no evidence of non-normality				

Improvement Sales for Area 608 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
608	010	012604	9011	69,703	1880899	\$5,900,000	04/17/02	\$84.64	ECONO MINI STORAGE	BCP	1	2	
608	010	122505	9042	67,710	1779401	\$5,449,109	09/25/00	\$80.48	REDMOND SELF STORAGE	LI	1	2	
608	010	292604	9287	27,000	1887283	\$1,895,000	05/23/02	\$70.19	BRIAN & TONY'S	NC240'	1	2	
608	010	387490	0040	29,260	1877579	\$2,062,471	03/27/02	\$70.49	U-HAUL RENTALS & MINI-STORAGE	NC240	1	2	
608	010	713380	0125	22,750	1910365	\$2,750,000	09/12/02	\$120.88	SEATTLE MINI WAREHOUSE	IC65'	1	2	
608	010	766620	6065	17,214	1918606	\$1,800,000	10/22/02	\$104.57	E-Z MINI STORAGE	IG1U/85	1	2	
608	020	092305	9184	65,204	1812020	\$3,796,725	04/17/01	\$58.23	RENTON HIGHLAND SELF-SERV STOR	CB	1	2	
608	020	250060	0620	91,315	1909661	\$6,125,000	09/12/02	\$67.08	MIDWAY MINI STG	HC	2	2	